

## § 36.380

messages. Toll Ticket Processing Expense is allocated between the State and interstate jurisdiction on the basis of the relative number of toll messages. Local Message Processing Expense is assigned to the exchange operation.

### § 36.380 Other billing and collecting expense.

(a) This classification includes the salary expense, including supervision, general accounting administrative, and miscellaneous expense, associated with the preparation of customer bills other than carrier access charge bills and with other revenue accounting functions not covered in § 36.379. Included in this classification are the expenses incurred in the preparation of monthly bills, initial and final bills, the application of service orders to billing records (establishing, changing, or discontinuing customers' accounts), station statistical work, controlling record work and the preparation of revenue reports.

(b) Local exchange carriers that bill or collect from end users on behalf of interexchange carriers shall allocate one third of the expenses assigned this classification to the interstate jurisdiction, and two thirds of the expenses assigned this classification to the state jurisdiction.

(c) Local exchange carriers that do not bill or collect from end users on behalf of interexchange carriers shall allocate five percent of the expenses assigned this classification to the interstate jurisdiction, and ninety-five percent of the expenses assigned this classification to the state jurisdiction.

[53 FR 33011, Aug. 29, 1988, as amended at 62 FR 15416, Apr. 1, 1997]

### § 36.381 Carrier access charge billing and collecting expense.

(a) This classification includes the revenue accounting functions associated with the billing and collecting of access charges to interexchange carriers.

(b) Of access charges other than end user common line access charges are assessed for the origination or termination of intrastate services in a particular state, one-half of such expense shall be apportioned to interstate operations. If no such access charges are as-

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sessed in a particular state, all such expense shall be assigned to interstate operations.

### § 36.382 Category 3—All other customer services expense.

Category 3 is apportioned on the basis of categories 1 and 2.

#### CORPORATE OPERATIONS EXPENSE

### § 36.391 General.

(a) Corporate Operations Expenses are included in the following accounts:

Executive and Planning .....Account 6710  
General and Administrative .....Account 6720

### § 36.392 Executive and planning—Account 6710, and general and administrative—Account 6720.

(a) These expenses are divided into two categories:

(1) Extended Area Services (EAS).

(2) All other.

(b) Extended Area Services (EAS) settlements are directly assigned to the exchange operation.

(c) The expenses in these accounts are apportioned among the operations on the basis of the separation of the cost of the combined Big Three Expenses which include the following accounts:

#### PLANT SPECIFIC EXPENSES

6210 Central Office Switching Expenses  
6220 Operators Systems Expenses  
6230 Central Office Transmission Expenses  
6310 Information Origination/Termination Expenses  
6410 Cable and Wire Facilities Expense

#### PLANT NON-SPECIFIC EXPENSES

6530 Network Operations Expenses

#### CUSTOMER OPERATIONS EXPENSES

6610 Marketing  
6620 Services

#### OPERATING TAXES

### § 36.411 Operating taxes—Account 7200.

(a) This account includes the taxes arising from the operations of the company, i.e.,

Operating Investment Tax Credits  
Operating Federal Income Taxes  
Operating State and Local Income Taxes  
Operating Other Taxes

## Federal Communications Commission

§ 36.502

Provision for Deferred Operating Income Taxes

### EQUAL ACCESS EXPENSES

#### § 36.412 Apportionment procedures.

(a) For apportionment purposes, the expenses in this account are segregated into two groups as follows: (1) Operating Federal, State and local income taxes and (2) all other operating taxes.

(b) Operating Federal, State and local income taxes are apportioned among the operations on the basis of the approximate net taxable income (positive or negative) applicable to each of the operations. The approximate net taxable income from each of the operations is the summation of the following amounts apportioned to each operation by means of the procedures set forth in this Manual:

(1) Operating revenues,

(2) Less operating expenses,

(3) Less operating taxes except the net income tax being apportioned and except any other tax not treated as a deductible item in the determination of taxable net income for this purpose.

(4) Less operating fixed charges.

(i) The amount of fixed charges attributable to the operations is obtained by subtracting the tax component (positive or negative) attributable to other than the operating fixed charges, i.e., fixed charges on non-operating investments are that proportion of total fixed charges which non-operating net investments are of total operating and non-operating net investments.

(ii) Operating fixed charges including interest on Rural Telephone Bank Stock are apportioned among the operations on the basis of the separation of the cost of telephone plant less appropriate reserves.

(c) Other operating taxes should be directly assigned to the appropriate jurisdiction where possible, e.g., Local Gross Receipts may be directly identified as applicable to one jurisdiction. Where direct assignment is not feasible, these expenses should be apportioned among the operations on the basis of the separation of the cost of Telecommunications Plant in Service—Account 2001.

#### § 36.421 Equal access expenses.

(a) Equal access expenses include only initial incremental pre-subscription costs and other initial incremental expenditures related directly to the provision of equal access, that would not be required to upgrade the capabilities of the office involved absent the provision of equal access. Equal access expenses are limited to such expenditures for converting central offices that serve competitive interexchange carriers or where there has been a bona fide request for conversion to equal access.

(b) Equal access expenses are apportioned between the jurisdictions by first segregating them from all other expenses in the primary accounts and then allocating them on the same basis as equal access investment.

### Subpart E—Reserves and Deferrals

#### § 36.501 General.

(a) For separations purposes, reserves and deferrals include the following accounts:

Other Jurisdictional Assets—Net.	Account 1500
Accumulated Depreciation	Account 3100
Accumulated Depreciation—Property Held for Future Telecommunications Use.	Account 3200
Accumulated Amortization—Tangible.	Account 3400
Accumulated Amortization—Intangible.	Account 3500
Accumulated Amortization—Other.	Account 3600
Net Current Deferred Operating Income Taxes.	Account 4100
Net Noncurrent Deferred Operating Income Taxes.	Account 4340
Other Jurisdictional Liabilities and Deferred Credits—Net.	Account 4370

#### § 36.502 Other jurisdictional assets—Net—Account 1500.

(a) Amounts in this account are separated based upon analysis of the specific items involved.